



Irish Life Weekly Investment Bulletin

The week that was – WEEK 36 (ending 08/09/2017)

“Character may be manifested in the great moments, but it is made in the small ones.”
– Winston Churchill

Irish unemployment rate falls to 6.3% in August – Latest figures from the Central Statistics Office show that the seasonally adjusted unemployment rate for August fell to 6.3% from 6.4% in July and 7.9% in August 2016. The unemployment rate is now the lowest since June 2008. The current eurozone average is 9.1%.

Irish consumer confidence in August dips below July’s 17-month high – The latest KBC Bank/ESRI consumer sentiment index fell to 102.9 in August, a relatively modest drop from the 17 month high of 105.1 recorded in July. Positive responses outnumbered negatives to each of the survey’s five key questions.

Global stock market down 0.6% on the week – The MSCI AC World TR Index showed a 0.58% fall from the 1st September to 8th September, as markets reacted to continued tensions in the Korean Peninsula and hurricane season in the U.S. Volatility, as measured by the VIX, increased to 12.35 from 10.3 over the week.

ECB raises 2017 economic growth outlook to 2.2% – The European Central Bank kept interest rates and its EUR60 billion monthly bond-buying program unchanged but revised upwards its forecast for eurozone economic growth to 2.2% in 2017 (up from 1.9%) and cut its 2018 inflation forecast to 1.2% from 1.3%.

Trump and Democrats agree 3-month debt-limit extension – President Donald Trump and Democratic leaders in Congress have agreed to extend the debt limit for three months attached to emergency funding for Hurricane Harvey. This ensures the government has enough money to continue operating through December.

Japan’s economy grew 2.5% in Q2 2017 – Japan’s GDP expanded by an annualised 2.5% rate in the second quarter of 2017. This represents a sixth consecutive quarter of positive economic growth and Japan’s longest run of quarterly economic expansion since 2006. Domestic consumption remained particularly solid.

The Story of the week: The increasing illegibility of students’ handwriting has prompted Cambridge University to consider ending 800 years of tradition by allowing laptops to replace pen and paper for exams. Sarah Pearsall, a senior lecturer at Cambridge’s history faculty, said: “Fifteen or twenty years ago, students routinely wrote by hand several hours a day, but now they write virtually nothing by hand except exams. As a faculty we have been concerned for years about the declining handwriting problem. There has definitely been a downward trend.”

DISCLOSURE: Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland. While Irish Life Investment Managers uses reasonable efforts to ensure that the information contained in this document is current, accurate and complete at the date of publication, no representations or warranties are made (express or implied) as to the reliability, accuracy or completeness of such information. Irish Life Investment Managers therefore cannot be held liable for any loss arising directly or indirectly from the use of, or any action taken in reliance on, any information contained in this document. This material is for information only and does not constitute an offer or recommendation to buy or sell any investment, or subscribe to any investment management or advisory service. The performance shown represents past performance and does not guarantee future results. Past performance is not indicative of future results.

Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 08/09)
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	11.4
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	3.9
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	7.4
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	7.1
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	11.5
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	18.2
Nikkei 225	22.9	56.7	7.1	9.1	0.4	0.8
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	20.7
Eurozone Government Bonds 1–5 yr	5.9	2.1	3.4	1.0	0.9	0.1
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.1
German	1.4	1.9	0.5	0.6	0.2	0.3
UK	1.9	3.0	1.9	1.9	1.2	1.0
Japan	0.7	0.7	0.3	0.2	0.0	0.0
Ireland	4.5	3.4	1.3	1.1	0.7	0.6
Italy	4.6	4.1	2.1	1.6	1.8	2.0
Greece	12.7	8.2	9.6	7.9	7.1	5.5
Portugal	6.9	6.1	2.7	2.5	3.8	2.8
Spain	5.4	4.1	1.6	1.7	1.4	1.5
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.25
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.20
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.91
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.32
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	4.1% (to end of Q2)
U.K.	2.7	10.7	17.8	13.1	3.6	4.8% (to end of Q2)
U.S.	5.3	11.4	11.2	12.1	7.8	3.3% (to end of Q2)

*Past performance is not a reliable guide to future performance